

INSTITUTE OF PUBLIC AFFAIRS RESEARCH TRUST

ABN 33 886 902 896

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017**

INSTITUTE OF PUBLIC AFFAIRS RESEARCH TRUST
ABN 33 886 902 896

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	Restated 2016
	\$	\$
INCOME		
Donations	627,060	529,804
Interest received	22,002	9,560
Bank Charges	-	127
	<hr/> 649,062	<hr/> 539,491
EXPENSES		
Accounting fees	5,000	4,500
Bank charges	120	-
Research expenses	425,000	139,750
	<hr/> 430,120	<hr/> 144,250
Surplus for the year	<hr/> 218,942	<hr/> 395,241

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	2017	2016
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,140,497	916,555
TOTAL CURRENT ASSETS	<u>1,140,497</u>	<u>916,555</u>
TOTAL ASSETS	<u>1,140,497</u>	<u>916,555</u>
 CURRENT LIABILITIES		
Other creditors and accruals	9,500	4,500
TOTAL CURRENT LIABILITIES	<u>9,500</u>	<u>4,500</u>
NET ASSETS	<u>1,130,997</u>	<u>912,055</u>
 EQUITY		
Original corpus	221,767	221,767
Retained surplus	909,230	690,288
TOTAL EQUITY	<u>1,130,997</u>	<u>912,055</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2017

	Original Corpus	Retained Surplus	Total
	\$	\$	\$
Balance at 1 July 2015	221,767	295,047	516,814
Restated surplus for the year	-	395,241	395,241
Balance at 1 July 2016	221,767	690,288	912,055
Surplus for the year	-	218,942	218,942
Balance at 30 June 2017	221,767	909,230	1,130,997

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors of Institute of Public Affairs Limited (Trustee of the Trust) have prepared the financial statements on the basis that the Trust is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the Trustee.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the Trustee. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes.

The financial statements were authorised for issue on 13 October 2017 by the directors of the Trustee.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

NOTE 2: RESTATEMENT OF PRIOR PERIOD ERROR

During the year, the Trust noted that the distributions made to the Institute of Public Affairs Limited ("IPA") were incorrectly classified as a distribution rather than an expense as IPA is not a beneficiary of the Trust. This has been corrected by restating each of the financial statement line items for prior periods. The table below summarise the impacts on the Trust's financial statements.

	30 June 2016		
	Previously Stated	Adjustments	Restated
	\$	\$	\$
Statement of Comprehensive Income			
Research expenses	-	(139,750)	(139,750)
Total expenses	(4,500)	(139,750)	(144,250)
Surplus for the year	534,991	(139,750)	395,241

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TRUSTEE'S DECLARATION

The directors of Institute of Public Affairs Limited (the Trustee of the Trust) declare that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the Board of Directors, the Trustee declares that in the Trustee's opinion:

1. The financial statements and notes, as set out on pages 2 to 5, present fairly the Trust's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Trustee.

Director

John Roskam

Executive Director

Institute of Public Affairs Limited

Dated 13 October 2017

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF INSTITUTE OF PUBLIC AFFAIRS RESEARCH TRUST

Opinion

We have audited the financial report of Institute of Public Affairs Research Trust, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income and statement of changes in equity for the year then ended, notes to the financial statements, and the trustee's declaration.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the Trust as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Institute of Public Affairs Research Trust to meet the needs of trustee. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Trustee Responsibility for the Financial Report

In preparing the financial report, the trustee is responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustee's either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the trust's financial reporting process.

The trustee of the trust is responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 and for such internal control as the trustee's determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee's.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustee's regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Hayley Underwood
Partner

Melbourne, 19 October 2017